

CS FOR SENATE BILL NO. 243(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-SECOND LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered: 4/27/22

Referred: Rules

Sponsor(s): SENATE FINANCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the power cost equalization endowment fund; relating to power cost**
2 **equalization; and providing for an effective date."**

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 * **Section 1.** AS 42.45.080(a) is amended to read:

5 (a) The commissioner of revenue is the fiduciary of the fund. In managing the
6 fund, the commissioner shall

7 (1) have the same powers and duties as are provided in AS 37.10.071;
8 and

9 (2) **apply the prudent-investor rule when investing** [INVEST] the
10 fund; **the "prudent-investor rule" as applied to investment activity of the fund**
11 **means exercising the judgment and care under the circumstances then prevailing**
12 **that an institutional investor of ordinary prudence, discretion, and intelligence**
13 **exercises in the designation and management of large investments entrusted to it,**
14 **not in regard to speculation, but in regard to the permanent disposition of funds,**

1 **considering preservation of the purchasing power of the fund over time while**
 2 **maximizing the expected total return from both income and the appreciation of**
 3 **capital** [IN A MANNER LIKELY TO ACHIEVE AT LEAST A FOUR PERCENT
 4 NOMINAL RETURN OVER A FIVE-YEAR PERIOD TO MEET THE
 5 OBJECTIVES OF THE POWER COST EQUALIZATION AND RURAL
 6 ELECTRIC CAPITALIZATION FUND (AS 42.45.100)].

7 * **Sec. 2.** AS 42.45.110(b) is amended to read:

8 (b) An eligible electric utility is entitled to receive power cost equalization

9 (1) for sales of power to local community facilities, calculated in the
 10 aggregate for each community served by the electric utility, for actual consumption of
 11 not more than 70 kilowatt-hours a month for each resident of the community; the
 12 number of community residents shall be determined annually by the latest figures of
 13 the United States Bureau of the Census or other population data that the Department of
 14 Commerce, Community, and Economic Development determines is reliable; and

15 (2) for actual consumption of not more than **750** [500] kilowatt-hours a
 16 month sold to each residential customer.

17 * **Sec. 3.** This Act takes effect July 1, 2022.